

**SOUTH BEND REDEVELOPMENT COMMISSION
RESCHEDULED REGULAR MEETING**

June 8, 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President

Mr. Hardie Blake, Jr.

Mr. Ken Peczkowski

Members Absent:

Mr. Karl King, Vice President

Mr. Greg Downes, Secretary

Legal Counsel:

Mr. Charles S. Leone, Esq.

Redevelopment Staff:

Mr. Don Inks, Director

Mrs. Cheryl Phipps, Recording Secretary

Mr. Bill Schalliol, Economic Development Specialist

Mr. Nicholas Witwer, Economic Development Specialist

Ms. Debrah Jennings, Property Manager

Others Present:

Ms. Jamie Loo, South Bend Tribune

Mr. Marty Wolfson

Ms. Linda Wolfson

Ms. Rita Kopala

Mr. David Rafinsky

Mr. Michael Hardy

Mr. W.H. Buckles

Mr. Troy Warner

Ms. Glenda Rae Hernandez

Mr. Tom Price

Mr. George Adler

Mr. Mike Campbell

2. APPROVAL OF MINUTES

**A. Approval of Minutes of the Regular Meeting of
Friday, May 18, 2007.**

Upon a motion by Mr. Peczkowski, seconded by
Mr. Blake and unanimously carried, the
Commission approved the Minutes of the Regular
Meeting of Friday, May 18, 2007.

COMMISSION APPROVED THE MINUTES OF THE
REGULAR MEETING OF FRIDAY, MAY 18, 2007

South Bend Redevelopment Commission
Rescheduled Regular Meeting –June 8, 2007

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted June 8, 2007 for approval.

324 AIRPORT AEDA

Boswell Golf Design, Inc.	5,100.00
DLZ	55,809.88
Michaels Appraisal Service	350.00
Witt Appraisal Services, Inc.	500.00
Ken Herceg & Associates, Inc.	70,585.90
Ken Herceg & Associates, Inc.	5,000.00
Ken Herceg & Associates, Inc.	60,000.00
Sopko, Nussbaum, Inabnit & Kaczmarek	56.25

414 SAMPLE EWING GENERAL

Mikolajewski & Associates, Inc.	1,053.00
Indianan Michigan Power	13.52

420 FUND TIF DISTRICT-SBCDA GENERAL

Sopko, Nussbaum, Inabnit & Kaczmarek	1,923.75
Indianan Michigan Power	142.79
AT & T	82.32
NIPSCO	302.11
South Bend Water Works	104.83
AT & T	27.48
Ampco System Parking	2,234.56
Ralph D. Lauver	1,850.00
Jerome E. Michaels	1,750.00

422 FUND WEST WASHINGTON ST

South Bend Heritage Foundation	36,291.56
--------------------------------	-----------

428 FUND AIRPORT 2003 BOND

DLZ	2,560.00
Walsh & Kelly	75,055.70

433 FUND REDEVELOPMENT ADMIN GENERAL

Sopko, Nussbaum, Inabnit & Kaczmarek	11,036.25
--------------------------------------	-----------

3. APPROVAL OF CLAIMS (CONT.)

619 FUND BLACKTHORN

Meadowbrook Golf Group Inc.

8,000.00

Ryan Incorporated Central

273,546.00 Bunker Sand Area

\$ 613,375.90

Mr. Peczkowski asked that in the future the Commission be provided with a quarterly balance sheet for Blackthorn Golf Course. Mr. Inks responded that he would do so.

Upon a motion by Mr. Peczkowski, seconded by Mr. Blake and unanimously carried, the Commission approved the Claims submitted June 8, 2007, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS
SUBMITTED JUNE 8, 2007, AND ORDERED THE
CHECKS TO BE RELEASED

4. COMMUNICATIONS

A. Communication from Community Forum for Economic Development.

Mr. Inks noted that the Commission received a communication from the Community Forum for Economic Development dated May 24, 2007. The Communication read as follows:

The Community Forum is very interested in the issues of economic development that come before the Redevelopment Commission. However, many Forum members have found it difficult to participate meaningfully in the Commission's process in their effort to help provide the necessary public input essential to such important economic development decisions.

In what follows, we make specific suggestions for how the Commission could improve its transparency and accountability, and how it could increase the public's democratic input. We wish to stress that our comments are directed at the Commission's procedures, not the individual

COMMUNICATION FROM COMMUNITY FORUM
FOR ECONOMIC DEVELOPMENT

4. COMMUNICATIONS (CONT.)

members of the Commission or its staff. We look forward to your reaction to these suggestions.

1) Make it possible for the public to understand what is happening at Commission meetings.

1a) Make agendas of upcoming meetings available in a timely fashion.

We applaud the Commission's procedure to make its agendas available to the public and to post them on its website. It would be best, though, if these agendas could be published at least several days in advance of the meeting.

1b) Make minutes of past meetings available in a timely fashion.

Again, it is commendable to post minutes of past meetings on the Commission's website, but if relevant minutes are not posted in time to be read before upcoming meetings, their value is diminished.

1c) Make agenda items and meeting minutes understandable to the public.

It is of little use to publish agendas and minutes if their content is obscure and fails to disclose important information.

For example, many members of the Community Forum supported the inclusion of LaSalle Square in the Airport Economic Development Area, and remain very interested in this issue. After the Commission's October 20, 2006 meeting, it seemed that the Commission did not discuss this issue again until its May 3, 2007 meeting with the South Bend Common Council.

4. COMMUNICATIONS (CONT.)

However, an item on the Commission's January 19, 2007 agenda states the following: "Public Hearing on Resolution No. 2300, a Supplemental Appropriation Resolution of the South Bend Redevelopment Commission. (AEDA, Airport Economic Development Area Allocation Area No. 1)." To the public, it was not clear that this item had anything to do with LaSalle Square. But apparently this resolution explicitly raised the possibility of appropriating an unspecified amount of money for LaSalle Square.

2) Disclose important information to the public.

2a) Publish relevant information on the Commission's website.

If the public could have examined this resolution easily before the January 19, 2007, it might have been aware that it had something to do with LaSalle Square. It would also be beneficial to post on the Commission's Web site resolutions, development agreements, and other relevant documents passed by the Commission.

2b) Take positive steps to provide relevant information to the public.

Given the public interest in LaSalle Square, the Commission could have indicated that it was considering appropriating money for LaSalle Square. It also could have said how much was being considered. It was only on May 3, 2007, at a South Bend Common Council Community and Economic Development Committee meeting, that it was announced that the Commission was considering spending \$500,000 per year for LaSalle Square.

4. COMMUNICATIONS (CONT.)

3) Provide ways for the public to have meaningful input into Commission decisions.

3a) Establish formal procedures for the public to shape substantive Commission projects.

Even more important than announcing its decisions, the Commission should involve the public in its decision-making process. In moving forward on LaSalle Square, the Commission should solicit public opinion. What do residents in the area and other members of the public think about the amount of money being considered? What projects is the Commission considering and what is the public's view of that investment? There also should be a formal way for public input to be incorporated into decisions concerning the future of LaSalle Square and similar projects.

This particular suggestion might be seen as inefficient and time-consuming. It is certainly a departure from the norm of how business is usually conducted. But it is of fundamental importance. Public involvement is essential to good governance. The people who are affected by economic development decisions should have a seat at the table.

We have discussed these issues with Commissioner Hardie Blake and have received positive feedback and ideas.

Some other specific suggestions:

3b) Allow for public input on items being considered by the Commission.

Some reasonable allowance could be made for members of the public to ask questions or

4. COMMUNICATIONS (CONT.)

provide short comments on important issues, even outside the Commission's formal hearing process.

3c) Provide a "public time" at the end of Commission meetings. The South Bend Common Council has such a procedure. The Commission could also.

3d) Hold at least some meetings at times that allow more members of the public to attend.

Ten o'clock on a weekday morning is impossible for many people. Perhaps some meetings could be held during the lunch hour or at other more convenient times.

Mr. Inks noted that staff tried to improve the agenda for this meeting by making it clearer what the items were about.

Mr. Inks indicated that staff is continuing to work on the request to publish relevant information on the Commission's Web site. He agreed we need to do more.

Mr. Peczkowski asked for some background on the Community Forum for Economic Development. Ms. Wolfson responded that the organization does not have non-profit status. Most of its members are active in other neighborhood or community organizations. Defining economic development broadly, the Forum is interested in tax abatement and TIF, as well as other things. Therefore, the Commission's business is of interest to members. Ms. Hernandez has been attending Commission meetings for some time to monitor its activities. Over time the committee has compiled suggestions to improve the transparency of the Commission as well as allow more democracy from stakeholders.

4. COMMUNICATIONS (CONT.)

Mr. Peczkowski noted that the Commissioners receive their agenda and packet on Wednesday, but it is not until they arrive for the Commission meetings that they know what the actual agenda of the meeting will be. Things that he has studied and prepared for get pulled from the agenda or tabled. It is frustrating for him as a Commissioner as well.

Mr. Peczkowski also noted that he made a point of talking to all the major players at LaSalle Square to get their input. By talking to them he got the impression that the Commission is not soliciting opinion in the traditional ways. Perhaps too traditional. We have a public meeting or public hearing on at day or time that are inconvenient for people to show up, such as the day after a major holiday. We schedule public input when it is convenient for us, not for the public. The owner of St. Vincent DePaul said he was never contacted. They had very little input on “it.” The owner got a couple of meeting notices, but he had the feeling that since St. Vincent DePaul is planning to move, perhaps they were being discounted as a player in that project.

Ms. Jones noted that the Commisison represents two constituencies. Mr. Peczkowski and Ms. Jones represent the Common Council. Mr. King, Mr. Downes and Mr. Blake are mayoral appointments. They are all volunteers. The general nature of the Commission is to facilitate and to make sure that projects follow guidelines. The real heart of what goes on should start with the Council and the Mayor. The Council schedules meetings at more convenient times such as late afternoon where their structure accommodates public input. That is not really the structure of the Commission.

Ms. Jones stated that she has no personal agenda. She is a volunteer because she loves her city. She

4. COMMUNICATIONS (CONT.)

enjoys being a Commissioner. As volunteers, Commissioners have limited control over what happens. She sees Commissioners as performing citizen oversight. While we are happy to have people come and watch the process, she doesn't believe it's a public forum as are the City Council meetings or Mayor's input sessions.

Ms. Wolfson said that she believes the Community Forum does understand that, but what they've come to understand, especially this last year, is the tremendous importance of this Commission. By the time issues get to the City Council level, things are quite far along in the approval process.

Ms. Jones pointed out that LaSalle Square became a Commission issue because it was of Common Council interest first.

Ms. Wolfson said that the LaSalle Square issue was an exception.

Ms. Jones stated that that should be the way it works. The Commissioners should represent their appointing entities. She believes Commissioners should meet with those entities to get input and feedback about what they want.

Mr. Peczkowski asked if Mr. Downes, Mr. King, and Mr. Blake were also invited to the LaSalle Square meeting. Ms. Jones responded that they were all invited. It just happened that only she and Mr. Peczkowski were able to attend.

Mr. Blake stated that the Commission may need to change its procedures now that the Community Forum wants to participate as a grass roots organization. The communication senses an attitude that the Commission doesn't want the type of participation that we're talking about. If our

4. COMMUNICATIONS (CONT.)

procedures give the impression that the Commission doesn't want participation, then perception becomes reality. If low income people don't feel they can participate, or if those that would advocate for them can't get access to do so, we need to change our procedures so that they can. If Commissioners can't participate because it takes too much time, then it's better for those Commissioners to resign and allow others who can meet at more convenient times to be appointed. If it's necessary to have a 10:00 and a 5:00 or 6:00 meeting, we ought to do it in order to increase participation now that people want to participate. That's not impossible. It's time consuming. But if that's what it takes in order to bring more people to the process, then that's what we have to do, because that's the fair thing to do.

Ms. Jones noted that Commissioners have limited control. We will take a look at state statute to see what our guidelines are.

Mr. Blake stated that when the state makes statutes that do not allow people to participate, then the state needs to change its statutes as well. From a realistic standpoint, it becomes an attitude that either it's government for the people, by the people or it's a bunch of crap. Without calling it what it really is, then you can never change it. It is time to change that.

Mr. Wolfson noted that there are some very specific suggestions the Community Forum is making: allowing opportunity at the end of the meeting for people to say things the same way the Common Council does; allowing some more public input during the meeting at points of importance to the public; publishing things on the Web site that are coming up before the meeting so people can be prepared.

4. COMMUNICATIONS (CONT.)

Mr. Peczkowski asked if it is counter productive for Mr. Wolfson when items are pulled from the agenda at the last minute. Is that the way the game is played? Is Mr. Wolfson is OK with that? Or does Mr. Wolfson think if it's on the first agenda, there better be a darned good reason it's not on the revised agenda?

Ms. Jones noted that there are many things on the agenda the staff and Commissioners don't have total control over. Staff puts things on the agenda sometimes anticipating that everything will be in place to allow the item to be considered at the meeting

Ms. Wolfson noted that there's no good way to answer Mr. Peczkowski's question. In the past they have not understood what the agenda items meant so as to be disappointed when they were pulled. The agenda was clearer this time, so that made the experience better.

Ms. Jones indicated that the Commission will take all the steps that are under its control to make the process more transparent.

Mr. Wolfson asked that the staff and Commissioners respond in writing to the Community Forum's individual points. Ms. Jones indicated they would.

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

A. Public Hearing

(1) Public hearing on Resolution No. 2334 amending the South Side Development Area Development Plan. (adding 4223 S. Main to the Acquisition List)

Mr. Schalliol noted that Resolution No. 2334 amends the South Side Development Area Development Plan to add two parcels to the Acquisition List. The parcels are at 4223 S. Main St., Tax Key Numbers 23-1025-1431 and 23-1025-1432. The parcels contain one house. The parcels are located north and adjacent to parcels the Commission has previously purchased at 4309 S. Main St. The acquisition is necessary to facilitate future development of the Main/Lafayette crossover. Acquisition of these properties is consistent with the goals and objectives for the development area of improving infrastructure and connectivity in the South Side Development Area.

Mr. Inks noted that the Public Hearing File is complete containing (1) A copy of the Notice of Hearing; (2) A copy of Resolution No.2334; (3) An affidavit from Carol Smith, Advertising Director of the South Bend Tribune, that the Notice of Hearing was published in that newspaper on May 25, 2007; (4) An affidavit from Richard Andrysiak, Classified Manager of the Tri-County News, that the Notice of Hearing was published in that newspaper on May 25, 2007; (5) A statement from Bill Schalliol that affected property owners and registered neighborhood associations were notified of the Public Hearing by memorandum on May 18, 2007; and (6) that the mail was

6. NEW BUSINESS (CONT.)

A. Public Hearings

(1) continued...

checked prior to this meeting. As of 10:00 a.m., June 8, 2007 there were 0 written remonstrances received related to Resolution No.2334.

Ms. Jones opened the public hearing for anyone who wished to speak. There was no one who wished to speak regarding Resolution No. 2334. Ms. Jones closed the public hearing.

PUBLIC HEARING ON RESOLUTION NO. 2334

Mr. Peczkowski noted the connection between Resolution No. 2334 and upcoming agenda item 6.H.(1) Resolution No. 2345. In Exhibit A for Resolution No. 2334 the estimated cost of acquisition is given as approximately \$100,000. Resolution No. 2345 states an offering price of \$65,500. He asked what accounts for the discrepancy.

Mr. Schalliol responded that \$65,500 is the average of the two appraisals done on the property and must be the price offered in the purchase offer. The resolution adding the property to the acquisition list is typically approved prior to receiving the appraisals, so it uses a generous estimate of the price that might be offered in order to not have to repeat the process if the appraisals come in high.

Mr. Peczkowski asked what happens to the extra \$35,400 when too much is allocated and then not used. Mr. Inks responded that the money is not allocated by the resolution. It is a planning tool indicating what the value

6. NEW BUSINESS (CONT.)

A. Public Hearings

(1) continued...

and cost might be when the Commission authorizes its being put on the acquisition list.

(2) Commission approval requested for Resolution No. 2334.

Upon a motion by Mr. Peczkowski, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2334 amending the South Side Development Area Development Plan. (adding 4223 S. Main to the Acquisition List)

COMMISSION APPROVED RESOLUTION NO. 2334
AMENDING THE SOUTH SIDE DEVELOPMENT
AREA DEVELOPMENT PLAN. (ADDING 4223 S.
MAIN TO THE ACQUISITION LIST)

(3) Public hearing on Resolution No. 2339, a supplemental appropriation resolution of the City of South Bend Redevelopment Commission (Sample-Ewing Development Area)

Mr. Inks noted that the public hearing file is complete, containing (1) A copy of Resolution No. 2337 determining to make the appropriation and setting the public hearing on Resolution No. 2339; (2) A copy of the Notice of Hearing; (3.) A copy of Resolution No. 2339, the subject of the public hearing; (4) An affidavit from Carol Smith, Advertising Director of the South Bend Tribune, that the Notice of Hearing was published in that newspaper on May 25, 2007; and (5) An affidavit from Richard Andrysiak, Classified Manager of the Tri-County News, that the Notice of Hearing was published in that newspaper on May 25, 2007.

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

Mr. Inks noted that the total appropriation is for \$239,993. \$214,993 is proposed for use for debt service payments related to outstanding indebtedness in the Sample-Ewing Development Area. \$25,000 is proposed for other activities related to the Lincolnway-Sample project.

Mr. Inks explained the Lincolnway-Sample project. The Commission has been accumulating land north and east of the Southeast Park, for the purpose of expanding the Southeast Park. One property we have acquired contains the former Grace Church. The \$25,000 would be used to demolish the church.

Ms. Jones opened the public hearing for whoever wished to speak.

PUBLIC HEARING ON RESOLUTIN NO. 2339

Mr. Wolfson: This is an example of some of the things we're talking about. I might have something to say on this, but I don't really understand what the issue is and I haven't seen the resolution. It's in a file somewhere. This kind of thing could be posted on a Web site...it could be made clear where to go to get the resolution.

Ms. Jones: Could the resolution be posted on the Web site?

Mr. Schalliol noted that all the notices of hearing say a copy of the resolution is available in the Office of the Redevelopment Commission.

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

Ms. Jones: Could there be a posting on our Web site that says “notices are available...” so that people would even know to go get them?

Mr. Inks: Taking Bill’s comment to the next step. If it’s available in the office, then we can certainly put it on the Web site. There’s no reason for people to have to stop by in this day and age.

Ms. Jones: I’m kind of looking for the most efficient way.

Mr. Peczkowski: This one has come before us before. The Sample-Ewing project, especially as it’s going to relate later on to our appending it to the Airport TIF district, I think it’s creating a picture that I’m getting uncomfortable with of putting a race horse in the same stall with a plow horse. What are we going to produce from the merging of those two things? We’ve got an area that cannot meet its debt requirements. It says we have insufficient funds available provided for the existing budget in the tax levy. In order to pay the expenses incurred by the Commission for local public improvements it looks like we have ...its like having your stock portfolio and you’ve got some winners and some losers. This one looks like its one of those losers. Those things happen. But what we’re doing here by addressing it this way and then, the fact that further on on the agenda here we’re going to be looking at combining this with one of our winning stock

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

portfolio propositions, I'm not so sure that this is wise. I want to ask what happens if we don't approve it. What happens to a district that goes into default?

Mr. Inks: The district will not go into default. The city's capital budget picks up the shortfall on debt service payments for the Sample-Ewing Development Area because the city is not going to let those debt obligations go into default.

Mr. Peczkowski: Because if they did?

Mr. Inks: It would reflect poorly on the city's credit rating and its cost of borrowing would go up substantially.

Mr. Peczkowski: As has happened in larger cities like Baltimore.

Mr. Inks: Yes. Which would just add another cost to the taxpayers to incur that higher interest rate, if you could finance it at all. So, in this case it's being picked up by the city's capital budget. These funds became available to us because of the penalties that were assessed against the AJ Wright project for not creating all of the jobs they had intended to. So they became additional funds to us. Instead of letting the funds sit idle in a cash account someplace, and because they are related to a Sample-Ewing Development Area project, and the bonds related to the AJ Wright project, money was put into the Sample-Ewing

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

Development Area and the controller has given her blessing to using these funds to pay for not only the debt service that's identified here, but a portion of it to pay for the Grace Church demolition. If they are not appropriated, then those funds will just remain in the cash account for the Sample-Ewing Development Area. The city will continue to make the debt service payments out of its capital accounts instead. But our recommendation and, I'm sure the Controller's recommendation, would be to appropriate these funds so that the city's capital can be used for other purposes and fully utilize the Sample-Ewing Development Area account.

Mr. Peczkowski: So the Grace Church is part of this? Because I don't see the Grace Church demolition...

Mr. Inks: There should be a schedule attached. It actually says Lincolnway-Sample. Lincolnway-Sample is the project name.

Mr. Peczkowski: Which adds to the other question. This possible Oliver Plow Works Memorial for \$13,000.

Mr. Inks: What we've done here is we've provided the original appropriation that the Commission had approved early this year in the first column which includes the Oliver Plow Works Memorial. The second column contains only the amount that we're

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

appropriating today, the \$239,000. Then we've provided a total appropriation column as well.

Mr. Peczkowski: So the \$13,000 is possibly available, it looks like it hasn't been used yet. Is it more important to pay off the debt or to have a memorial?

Mr. Inks: Again, the first column is the original appropriation. I can tell you that it hasn't been spent, but this report doesn't indicate whether or not it's been spent. It's just the appropriation. It doesn't include any expenditures. The original budget was also signed off on by the Controller. There were certain things that the Controller said, "Gee, why don't you use Sample-Ewing Development Area funds to cover those costs" and agreed to pick up any debt service out of the city's capital budget. But since then we've come across another \$239,000 that's available.

Mr. Peczkowski: Now, this was part of the deal when we decided to let the Wright deal, when we said OK we will restructure how much of a penalty per job and so we settled for the amount that they had in rather than the larger amount that we could have expected under the original agreement? Is that what we're talking about?

Mr. Inks: This is part of the amendment to those documents, yes.

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

Mr. Jones: While we're talking about TIF districts, and when you mentioned race horses—because we have enough people here, I have kind of a simple understanding of TIF districts. When they're established, there is a baseline set, the value of the taxed property in that area. Tax incremental financing is the additional funds that are generated from development beyond that baseline. Then, historically, a district goes into a process. In the beginning, and Sample-Ewing might be a more exaggerated example of this, but you are addressing an area that needs a lot of work. So you plow money into it in order to make it ripe for development. I would say that at this point we have spent a lot of money in Sample-Ewing. It hasn't been developed yet, because we've been preparing it for development. I'd say it's on the cusp of being a great potential provider of income to a TIF district. On the other hand, as we add other properties to TIF districts, we're going to have to make the same investments in order to prepare those lands for development. So, I think at some point every TIF district has a race horse and a plow horse. They change positions, as every stock portfolio has winners and losers which sometimes change positions. I think it is a balance, a timing, and if you take the long broad look at a TIF district you will find that ebb and flow. And that movement over time from buying, demolishing, doing environmental, all that has to be done, especially in a place like Sample-Ewing where there's so much industrial development. Yes, we've made a

South Bend Redevelopment Commission
Rescheduled Regular Meeting –June 8, 2007

huge investment. Yes, right now, if you take a look out there, it looks a whole lot better for development, and we have more interest in that area.

Mr. Peczkowski: But if you look at what we're going to do by having the Airport, LaSalle Square, Hurwich Iron and then the Sample-Monroe district. If you look in the dictionary under gerrymandering, that's going to be the picture. We're going to have this little dog on the end of a leash coming here, then another corridor going down to this. Why don't we just make all of our TIF districts one district? It looks like that's what we're coming to.

Ms. Jones: Some people have done that. And closer to home than you think. You are getting ahead of yourself. That's not what we're here for. I was just philosophizing about general TIF. I'm not going to get into how we've identified this place versus that place. We're not going to get into that. That's not for this discussion of this item.

Mr. Peczkowski: I find it sort of related because by agreeing to this it looks like we're putting this one to bed in order to facilitate the addition of this to the other TIF.

Ms. Jones: I think we would do this no matter whether there was nothing else going. This is something we have to do and we've obviously done it before.

Mr. Peczkowski: Well, having done it before is not a good recommendation.

Mr. Inks. From my perspective, this is completely independent of the other decision. What we have here today is the fact that we

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

have more money than we had anticipated in the Sample-Ewing Development Area account. So we're appropriating them for uses in the Sample-Ewing Development Area. It's completely independent of the Airport from our perspective. It's just we have more money than we expected because of the penalty situation and we're asking to appropriate that money for a use in Sample-Ewing that we identified as a use before in the original budget process earlier this year in the city's capital budget. Now we have another source to use instead of using the city's precious capital dollars, using the TIF's own resources to cover its debt service payment.

Mr. Peczkowski: What's the prognosis of this. Are we still going to be paying off debt in the foreseeable future on this area?

Mr. Inks: Yes.

Mr. Peczkowski: And we're using up all the funds, pretty much, of the extra that we had in order to cover this and then somewhere down the road maybe we are going to be tapping into city funds?

Mr. Inks: At this point, the Sample-Ewing Development Area as a stand-alone area does not and for the foreseeable future will not have the capacity to cover its debt service. It's short about \$300,000 a year. Now that situation will probably improve somewhat as the AJ Wright tax abatement phases out.

6. NEW BUSINESS (CONT.)

A. Public Hearings

(3) continued...

And it could change significantly with the success of Oliver Plow Industrial Park and the Studebaker Industrial Parks. But based on what we have today there will be a continuing shortfall for the foreseeable future.

Ms. Jones asked if there was anyone else who wished to speak. There was no one else who wished to speak regarding Resolution No. 2339. Ms. Jones closed the public hearing.

(4) Commission approval requested for Resolution No. 2339.

Mr. Blake made a motion to approve Resolution No. 2339. Ms Jones seconded the motion. The vote was two in favor, one abstaining. The motion failed.

RESOLUTION NO. 2339 DID NOT PASS

(5) Public hearing on Resolution No. 2329 amending the Airport Economic Development Area Development Plan. (adding 1633 Knoblock to the Acquisition List)

Mr. Witwer noted that the Notice of Hearing for Resolution No. 2329 that was to have been published in the South Bend Tribune did not get published. The notices will be republished for public hearing on July 6, 2007 at 10:00 a.m.

NO PUBLIC HEARING ON RESOLUTION NO. 2329

6. NEW BUSINESS (CONT.)

A. Public Hearings

- (6) Commission approval requested for Resolution No. 2329.**

No action requested since there was no public hearing.

- (7) Public hearing on Resolution No. 2343 amending the Airport Economic Development Area Development Plan. (adding 1625 and 1629 Knoblock to the Acquisition List)**

Mr. Witwer noted that the Notice of Hearing for Resolution No. 2343 that was to have been published in the South Bend Tribune did not get published. The notices will be republished for public hearing on July 6, 2007 at 10:00 a.m.

NO PUBLIC HEARING ON RESOLUTION NO. 2343

- (8) Commission approval requested for Resolution No. 2343.**

No action requested since there was no public hearing.

B. Receipt of Bids

- (1) Receipt of Bids for Art Mosaic Disposition Parcel (817 and 903 E. Sample St.)**

Mr. Inks noted that one bid was received by the 10:00 a.m. deadline. The bid was from Jerid Enterprises, LLC. Mr. Leone checked the bid to make sure it conformed to the bid specifications issued for the property and that it contained the 10% performance guarantee, and a signed Affidavit of Non-Collusion.

6. NEW BUSINESS (CONT.)

B. Receipt of Bids

(1) continued...

Mr. Peczkowski asked where this property is located. Mr. Inks responded that it is across the street from the Grace Church property mentioned earlier, next to Quality Glass.

Mr. Inks explained why the Commission owns this piece of property. Art Mosaic Tile owned property on both sides of the street. We wanted their property on the south side of the street for the Southeast Park, but in order to purchase one part, we had to purchase the entire property. We had no use for the property on the north side of Sample, so we put it up for sale.

Mr. Peczkowski asked if we own the property all the way to the restaurant on the corner of Lincolnway and Sample. Mr. Schalliol responded that we own all the property on the south side of the street to Lincolnway. This property is on the north side of the street. We never intended to purchase property on the north side of the street.

Mr. Leone noted that the bid meets all the requirements. The minimum bid price was \$62,100. The price offered by Jerid Enterprises LLC was \$62,100. The performance guarantee included was \$6,300.

Mr. Inks asked that the Commission refer it to staff for immediate review, to be brought back with a recommendation at the end of the agenda.

6. NEW BUSINESS (CONT.)

B. Receipt of Bids

(1) continued...

The Commission referred the bid of Jerid Enterprises LLC to staff for review and recommendation at the end of the meeting.

COMMISSION REFERRED THE BID OF JERID ENTERPRISES LLC TO STAFF FOR REVIEW AND RECOMMENDATION

(Mr. W. H. Buckles interrupted the discussion because he came to speak related to the public hearing on Resolution No. 2329 and did not get a chance to speak since the public hearing was not held.)

Mr. Buckles: The Commission is taking these houses on Knoblock near me. They got two appraisals, the average of which was \$59,000. Have any of you picked up a realtor's book and tried to find a house for \$59,000 that's not in a blighted area? I don't know how they can take these properties like this and expect somebody to go out in their back yard and dig up a can with another \$25,000 in it to put with it to get anything even near that. There aren't hardly any houses in these realtor books that aren't \$70,000 or \$75,000. I've been driving around looking at them and they are in way worse condition than what the city's offering \$59,000 for. They are the same square footage and everything. I think it's a disgrace what they are...I don't know where they come up with the appraisal. You can't find a house in this town. I was surprised when I went out to see what was out there for \$75,000. You wouldn't want to live in it.

Ms. Jones told Mr. Buckles if he would like to bring his comments to the July 6 meeting, he could do so.

6. NEW BUSINESS (CONT.)

B. Receipt of Bids

**(2) Receipt of Bids for Enzyme Research
Disposition Parcel (412 S. Lafayette Blvd)**

Mr. Inks noted that one bid was received by the 10:00 a.m. deadline. The bid was from Wightman Petrie.

Mr. Leone looked over the bid and found it to be non-conforming. It was not actually a bid, but a letter of interest, asking to negotiate with staff with respect to this property.

Mr. Inks noted that if no conforming bid is received, the receipt of bids remains open for 30 days. After 30 days, staff is free to negotiate terms that the Commission feels is in the best interest of the community.

The Commission referred the letter of interest from Wightman Petrie to staff for review.

COMMISSION REFERRED THE LETTER OF
INTEREST FROM WIGHTMAN PETRIE TO STAFF
FOR REVIEW

C. South Bend Central Development Area

**(1) Commission approval requested for
Memorandum of Lease with Dhanwantari,
Inc. (Michigan St. Shops)**

Mr. Leone noted that under Indiana law leases of more than three years must be recorded. Sometimes the terms of a lease itself are such that the huge amount of detail isn't necessary to record as a public document. The purpose of recording a Memorandum of Lease is to put the public on notice that there is a lease whose term

6. NEW BUSINESS (CONT.)

C. South Bend Central Development Area

(1) continued...

exceeds three years. It is a more economical way to meet the requirements of the law.

Mr. Peczkowski noted that this lease has a three year option to renew. He asked whether the Commission commonly agrees to renewal options. Mr. Inks responded that it is very common. We are always interested in keeping tenants on a long term basis and providing that option.

Mr. Peczkowski asked whether the current rates are locked in for the option years. Mr. Inks responded that the built-in rate increases are in the full lease.

Upon a motion by Mr. Peczkowski, seconded by Mr. Blake and unanimously carried, the Commission approved the Memorandum of Lease with Dhanwantari, Inc. (Michigan St. Shops)

COMMISSION APPROVED THE MEMORANDUM OF LEASE WITH DHANWANTARI, INC. (MICHIGAN ST. SHOPS)

D. Sample-Ewing Development Area

There was no business in the Sample-Ewing Development Area.

E. Airport Economic Development Area

(1) Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Title work for Knoblock property acquisition)

Mr. Witwer noted that to prepare for

6. NEW BUSINESS (CONT.)

E. Airport Economic Development Area

(1) continued...

acquisition of the three Knoblock properties (1633, 1629 and 1625) we need title searches performed. We also want to have a title search on Lot 1B in Blackthorn Corporate Park to have it ready for future disposition. Meridian Title has submitted a proposal for a fee of \$600 for the four title searches. Staff recommends approval.

Upon a motion by Mr. Blake, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the request for proposal for professional services in the Airport Economic Development Area and accepted the proposal from Meridian Title for the scope of services and fee proposed. (Title work for Knoblock property acquisition)

COMMISSION APPROVED THE REQUEST FOR PROPOSAL FOR PROFESSIONAL SERVICES IN THE AIRPORT ECONOMIC DEVELOPMENT AREA AND ACCEPTED THE PROPOSAL FROM MERIDIAN TITLE FOR THE SCOPE OF SERVICES AND FEE PROPOSED (TITLE WORK FOR KNOBLOCK PROPERTY ACQUISITION)

(2) **Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Preparation of legal descriptions for Knoblock property acquisition)**

Mr. Witwer noted that the Abonmarche Group submitted a proposal in the amount of \$2900 to write a new legal description for the expanded Airport Economic Development Area. The new legal description is needed for Resolution No. 2348 expanding the AEDA to include LaSalle Square and nearby industrial property as well as adding the Sample-Ewing Development Area to the Airport Economic Development Area. Staff recommends approval.

6. NEW BUSINESS (CONT.)

E. Airport Economic Development Area

(2) continued...

Upon a motion by Mr. Blake, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the request for proposal and accepted the proposal from The Abonmarche Group for the scope of services and fee proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL AND ACCEPTED THE PROPOSAL FROM THE ABONMARCHE GROUP FOR THE SCOPE OF SERVICES AND FEE PROPOSED.

F. South Bend Medical Services District

There was no business in the South Bend Medical Services District.

G. West Washington-Chapin Development Area

There was no business in the West Washington-Chapin Development Area.

H. South Side Development Area

(1) Commission approval requested for Resolution No. 2345 related to acquisition of property in the South Side Development Area. (4223 S. Main for improvements associated with the Main-Lafayette crossover)

Mr. Schalliol noted that the Commission adopted Resolution No. 2334 earlier in the meeting adding two properties to the Acquisition List of the South Side Development Plan. Resolution No. 2345 authorizes the sending of a purchase offer in the amount of \$65,500 for those properties. The property contains one house. Staff requests approval.

6. NEW BUSINESS (CONT.)

H. South Side Development Area

(1) continued...

Upon a motion by Mr. Blake, seconded by Mr. Peczkowski and unanimously carried, the Commission approved Resolution No. 2345 related to acquisition of property in the South Side Development Area. (4223 S. Main for improvements associated with the Main-Lafayette crossover)

COMMISSION APPROVED RESOLUTION No. 2345 RELATED TO ACQUISITION OF PROPERTY IN THE SOUTH SIDE DEVELOPMENT AREA. (4223 S. MAIN FOR IMPROVEMENTS ASSOCIATED WITH THE MAIN-LAFAYETTE CROSSOVER)

I. Northeast Neighborhood Development Area

There was no business in the Northeast Neighborhood Development Area.

J. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

K. Other

(1) Staff report on disposition of property in the South Bend Central Development Area. (former Art Mosaic Tile)

Mr. Schalliol reported that the proposal from Jerid Enterprises LLC (William Anksorus, signatory). The amount bid for the property was \$62,100, which was the minimum offering price. The use proposed is as the headquarters and business office for a local taxicab company. The use, therefore, conforms to the bid specifications. The performance guarantee submitted of \$6,300 exceeds the 10% required. Staff is pleased to have this offer for property it expected to have to demolish and sell for \$1.00. We have an opportunity to sell it to a business for

6. NEW BUSINESS (CONT.)

K. Other

(1) continued...

considerably more than that and allow a viable business to grow. Staff recommends accepting the proposal.

Upon a motion by Mr. Blake, seconded by Mr. Peczkowski and unanimously carried, the Commission accepted the proposal from Jerid Enterprises for the former Art Mosaic Tile property at 817 and 903 E. Sample Street in the South Bend Central Development Area.

COMMISSION ACCEPTED THE PROPOSAL FROM JERID ENTERPRISES FOR THE FORMER ART MOSAIC TILE PROPERTY AT 817 AND 903 E. SAMPLE STREET IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA.

(2) Staff report on disposition of property in the South Bend Central Development Area. (former Enzyme Research property)

Mr. Schalliol read the letter of interest from Wightman Petrie Environmental into the record.

Dear Redevelopment Commission Members:

Wightman Petrie Incorporated requests approval by the board to negotiate with the Redevelopment Commission staff for the purchase of the above referenced property. Over the past several months we have had serious interest in this property to the extent that we have visited the property with staff on a couple of occasions. During those visits we have made an attempt to evaluate the property for conversion to our use as a professional services office building. We have some minor concerns with regards to the valuation of the property versus necessary repairs and improvements which

6. NEW BUSINESS (CONT.)

K. Other

(2) continued...

would be required for occupancy.

Our firm opened its South Bend office in 2003 with a staff of two professionals. Since then we have grown to a staff of fifteen with the intention of adding an additional staff immediately. Our current location on Scott Street has nearly met its capacity. It has been our intention as well to be a part of the location of the downtown business district to continue to help in the development of the downtown area.

In regard to our current property, we have negotiated a sale with our neighbor which will allow them to expand their business as well. We view this proposed project with the Enzyme Research building and our current property as a winning opportunity, not only for ourselves, but for other downtown business, and importantly, the City of South Bend.

If you have any questions regarding this matter, please feel free to contact me at any time.

*Sincerely,
David Rafinsky*

Mr. Schalliol noted that the bid did not meet the bid requirements. As noted earlier, it is a non-conforming bid. Staff would like to continue negotiations with Wightman Petrie and, hopefully, bring a proposal to the Commission after the 30-day waiting period.

6. NEW BUSINESS (CONT.)

K. Other

(2) continued...

Upon a motion by Mr. Peczkowski, seconded by Mr. Blake and unanimously carried, the Commission referred the letter of interest from Wightman Petrie to staff for further negotiations and staff report at a later meeting.

Commission referred the letter of interest from Wightman Petrie to staff for further negotiations and staff report at a later meeting

7. PROGRESS REPORTS

There was no report.

PROGRESS REPORTS

8. NEXT COMMISSION MEETING

The next meeting of the Redevelopment Commission is scheduled for Friday, June 22, 2007 at 10:00 a.m.

NEXT COMMISSION MEETING

9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. Peczkowski made a motion that the meeting be adjourned. Mr. Blake seconded the motion and the meeting was adjourned at 11:10 a.m.

ADJOURNMENT


Donald E. Inks, Director


Marcia I. Jones, President


South Bend Redevelopment Commission
Rescheduled Regular Meeting –June 8, 2007

EXECUTIVE SESSION

June 8, 2007

The South Bend Redevelopment Commission met in Executive Session on Friday, June 8, 2007, at 9:15 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Marcia Jones, President; Hardie Blake, and Ken Peczkowski. Others Present: Jeff Gibney, Executive Director, Community & Economic Development, Don Inks, Director, Economic Development, Attorney Charles Leone, Bill Schalliol, Nick Witwer, Andy Laurent, and Jennifer Laurent. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**



Signature

Marcia I. Jones, President
Printed Name and Title

South Bend Redevelopment Commission